

**Amendments to the Claims:**

The following listing of claims will replace all prior versions, and listings, of claims in the application:

1-25. (Cancelled)

26. (Currently Amended) A machine tool comprising a stationary part and a spindle rotatable relative to the stationary part, the spindle having a shank receiving area for releasably accepting the shank of a cutter or other machine tool accessory, and comprising a first electrical link between the stationary part and the spindle, and a portion of a second electrical link at the shank receiving area in electrical connection with the first link for providing in use a disconnectable electrical link between the spindle and the shank, wherein the portion of the second link is in the form of a least one electrical contact, according to ~~claim 23~~ wherein the first link is an inductive link having complementary inductors which in use of the machine have relative displacement, one of the inductors being mounted to the spindle and the other of the inductors being mounted to the stationary part.

27. (Currently Amended) A machine tool according to ~~claim 23~~ claim 26 wherein, the portion of the second link at the shank receiving area includes any electrical link between the shank and the spindle.

28. (Previously Presented) A machine tool according to claim 27 wherein, the electrical link comprises a disconnectable physical contact between the spindle and the shank.

29. (Currently Amended) A machine tool according to ~~claim 23~~ claim 26 wherein the receiving area is in the form of a cavity having an opening and a rear area furthest from the opening and wherein the portion of the second link is disposed closer to the rear area than to the opening.

30. (Previously Presented) A machine tool according to claim 29 wherein the portion of the second link is disposed at the rear third of the cavity.

31. (Currently Amended) A machine tool comprising a stationary part and a spindle rotatable relative to the stationary part, the spindle having a shank receiving area for releasably accepting the shank of a cutter or other machine tool accessory, and comprising a first electrical link between the stationary part and the spindle, and a portion of a second electrical link at the shank receiving area in electrical connection with the first link for providing in use a disconnectable electrical link between the spindle and the shank, wherein the portion of the second link is in the form of at least one electrical contact, according to~~claim 23~~, wherein the at least one electrical contact is in the form of a "C" shaped conductive element mounted to a non-conductive block at the shank receiving area.

32. (Previously Presented) A machine tool according to claim 31 wherein the block is releasably held at the area.

33-51. (Cancelled)

52. (New) A machine tool according to claim 26 wherein the first link and the portion of the second link are arranged to transmit either power or signals, or both power and signals.

53. (New) A machine tool according to claim 26 wherein the at least one electrical contact is in the form of a "C" shaped conductive element mounted to a non-conductive block at the shank receiving area.

54. (New) A machine tool according to claim 31 wherein the first link and the portion of the second link are arranged to transmit either power or signals, or both power and signals.

55. (New) A machine tool according to claim 31 wherein, the portion of the second link at the shank receiving area includes any electrical link between the shank and the spindle.

56. (New) A machine tool according to claim 55 wherein, the electrical link comprises a disconnectable physical contact between the spindle and the shank.

57. (New) A machine tool according to claim 31 wherein the receiving area is in the form of a cavity having an opening and a rear area furthest from the opening and wherein the portion of the second link is disposed closer to the rear area than to the opening.

58. (New) A machine tool according to claim 57 wherein the portion of the second link is disposed at the rear third of the cavity.